

# Proposed Transportation Network Company and Drivers-Independent Contractors Amendment

TXT-65476 - TEXT AMENDMENT - APPLICANT/OWNER: CITY OF LAS VEGAS - Discussion and possible action to strike the prior licensing requirements for Transportation Network Companies and replaces such requirements with new license requirements for Transportation Network Companies and new license requirements for Drivers-Independent Contractors.  
Contents:

- Summary of the proposed changes
- Draft of the proposed ordinance

Please note:

**[abc]**

bracketed text reflects a deletion

**abc**

underlined text reflects an addition

Where language indicates that a new Code section is to be added, all provisions in that section are new, although in some cases it is just a replacement for language repealed in a previous section of the ordinance amendment.

## Summary: TXT-65476 (LVMC 6.04 – Transportation Network Company and Drivers – Independent Contractors)

Code Section	Existing Regulation	Proposed Regulation
<b>6.04.030 Definitions</b>	Provides definitions to include one specific to Transportation Network Company with fee and licensing regulations.	<ul style="list-style-type: none"><li>• Transportation Network Company definition deleted in one location and reinserted elsewhere, as modified.</li></ul>
<b>6.04.015 Businesses or business locations within the following licensing categories shall pay an annual license fee of twenty-five dollars.</b>		<ul style="list-style-type: none"><li>• Adds Drivers-Independent Contractors rules and fees for any person who is an independent contractor and who transports goods, services and/or passengers within the City of Las Vegas.</li></ul>



**BILL NO. 2016-**

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE TO AMEND THE LICENSING REQUIREMENTS FOR TRANSPORTATION NETWORK COMPANIES AND ADDING A LICENSING PROVISION FOR DRIVERS EMPLOYED BY TRANSPORTATION NETWORK COMPANIES BY STRIKING TRANSPORTATION NETWORK COMPANY FROM LVMC 6.04.030, ADDING A NEW BUSINESS LICENSE FOR DRIVERS-INDEPENDENT CONTRACTOR AT LVMC 6.04.015, AND BY ADDING A NEW SECTION IN TITLE SIX TO PROVIDE FOR A BUSINESS LICENSE FOR A MOTOR TRANSPORTATION NETWORK COMPANY, AND FOR OTHER RELATED MATTERS.

Proposed by: Tom Perrigo, Director of Planning;  
Brad Jerbic, City Attorney

Summary: This ordinance strikes the prior licensing requirements for Transportation Network Companies and replaces such requirements with new license requirements for Transportation Network Companies and new license requirements for Drivers-Independent Contractors.

WHEREAS, the City of Las Vegas adopted Ordinance 6494, creating a business license category for Transportation Network Companies (TNCs), which the City believes was proper and in conformance with AB 176, adopted by the Nevada Legislature during the 2015 legislative session;

WHEREAS, two TNCs, namely Uber and Lyft, sued the City, alleging the aforementioned ordinance was, among other things, preempted by state law;

WHEREAS, the Court preliminarily enjoined the City's enforcement of Ordinance 6494, and the City staff immediately began the process to amend the City's municipal code to enact a new TNC licensing scheme, identical to the TNC licensing scheme that was adopted by Clark County, Nevada, which did not engender any objection nor litigation by Uber and Lyft over the adoption of such licensing scheme;

WHEREAS, the County TNC licensing scheme provides a sliding fee scale for a TNC company based upon the number of drivers authorized by the Nevada Transportation Authority, as well as a twenty-five dollar annual fee for each driver working for a TNC; and

WHEREAS, this ordinance in all substantive ways mirrors the County's business licensing scheme for TNCs and drivers, and the City Council believes that this ordinance will end the current litigation between the City, Uber and Lyft.

1 THE CITY COUNCIL OF THE CITY OF LAS VEGAS DOES HEREBY ORDAIN AS FOLLOWS:

2 SECTION 1: Title 6, Chapter 4 of the Municipal Code of the City of Las Vegas, Nevada,  
3 1983 Edition, is hereby amended by adding a new Section, designated as Section 15, to read as follows:

4 **6.04.015:** Businesses or business locations within the following licensing categories shall pay an  
5 annual license fee of twenty-five dollars:

6 **Drivers-Independent Contractors**, which is any natural person who is an independent contractor rather  
7 than an employee of a business licensed by the Department and who transports goods, services and/or  
8 passengers within the City of Las Vegas for any type of compensation must obtain a business license and pay  
9 an annual license fee of twenty-five dollars. This category does not apply to any natural person who provides  
10 interstate transportation of goods, services and/or passengers and is exempt from licensure or assessment of  
11 fees by local governments pursuant to any applicable interstate commerce laws or regulations.

12 The business license required by this subsection may be suspended, revoked or terminated if the Department  
13 becomes aware, after the license was issued, that an independent contractor driver:

14 (A) Has any change in his or her address, driver's license or motor vehicle registration  
15 without notifying the department within thirty days after the date of change: or

16 (B) Has any change in his or her driving history or criminal history, including arrests  
17 punishable as gross misdemeanors or felonies.

18 SECTION 2: SECTION 2: Title 6, Chapter 4, Section 30 of the Municipal Code of the City of  
19 Las Vegas, Nevada, 1983 Edition, is hereby amended as follows:

20 **6.04.030** - Annual business license fee—One hundred dollars.

21 Businesses or business locations within the following licensing categories shall pay an annual license  
22 fee of one hundred dollars:

23 **Tobacco dealer**, which is any person licensed pursuant to NRS Chapter 370 to sell tobacco. The fee  
24 amount shall be charged for each sales location, whether a machine, retail location, or warehouse facility.

25 **Motor carrier and transportation services**, which is any business operating as a common motor  
26 carrier as defined in NRS Chapter 706 that provides trucking, passenger transportation service including

1 limousine and sightseeing for hire over fixed or non-fixed routes. An applicant for this license must furnish  
2 a certificate of public convenience and necessity from the Transportation Services Authority in accordance  
3 with NRS Chapter 706, or evidence of exemption from the certificate requirement. The fee amount of one  
4 hundred dollars shall be charged for each vehicle operated as part of the business, except that any vehicle  
5 which is devoted exclusively to public transportation as designated by a local government within Clark  
6 County is exempt from the license fee requirement.

7       **[Transportation network company,** which is any business entity that uses a digital network or  
8 software application service to connect a passenger to a driver who can provide transportation services to the  
9 passenger as defined by NRS Title 58. An applicant for this license must furnish a certificate or other proof  
10 of registration with the Transportation Services Authority. The required one hundred dollar annual fee shall  
11 be paid on a semi-annual basis of fifty dollars, and the fee shall be charged to the transportation network  
12 company for each active driver, as calculated based on the number of active drivers in each month of a license  
13 period, with each month being added together and then divided by the number of months in the license period.  
14 For the purposes of calculating such fee, "driver" means a natural person that operates, regardless of  
15 ownership, a motor vehicle that is the subject of an agreement with a transportation network company to  
16 receive connections to potential passengers and related services from a transportation network company in  
17 exchange for the payment of a fee to the transportation network company, and "active driver" means a driver  
18 who has provided service in response to one or more prearranged requests for service from a transportation  
19 network company in any thirty-day period. The transportation network company shall provide a report to the  
20 Department listing the company's identification number of each active driver prior to the end of each month.]

21       **Truck rental agency,** which is any business that offers trucks for rent. The fee amount shall be  
22 charged for each truck available for rental.

23       SECTION 3: Title 6, of the Municipal Code of the City of Las Vegas, Nevada, 1983 Edition, is  
24 hereby amended by adding a new chapter, designated as Chapter 97, consisting of Sections 10 to 40 inclusive,  
25 to read as follows:

26 6.97.010       Motor transportation network company, which is defined as an entity that uses a digital

1 network or software application service to connect a passenger to a driver who can provide transportation  
2 services to the passenger (as the term, “transportation network company” (“TNC”) is defined in Section 19  
3 of Assembly Bill #176 of the 2015 Nevada Legislative Session). A motor transportation network company  
4 that desires to operate within the jurisdiction of the city is required:

5 (A) To obtain a Motor Transportation Network Company Business License that would  
6 allow a transportation network company to operate within the city of Las Vegas only; and

7 (B) Pay an annual license fee based on the number of drivers authorized by the Nevada  
8 Transportation Authority (NTA) as follows:

Authorized for Number of Drivers	License Fee
Not more than 100 .....	\$1,000.00
Not more than 500 .....	\$5,000.00
Not more than 1,000 .... .	\$10,000.00
Not more than 2,500 .... .	\$25,000.00
Not more than 5,000 .....	\$50,000.00
Not more than 7,000 .... .	\$70,000.00
More than 7,000 .....	\$75,000.00

17 6.97.020 The TNC shall notify each driver of the requirement to obtain a city business license pursuant  
18 to Section 6.04.030 of the code and if the TNC becomes aware, or is notified by the department, that a driver  
19 does not possess a valid city business license, the TNC shall terminate that driver’s access to the digital  
20 network or software applications service.

21 6.97.030 Any person providing motor transportation network services must be properly permitted by  
22 the State of Nevada Transportation Authority per Title 58 of the NRS and comply with all applicable state  
23 regulations. Exempt from the requirements of this section are motor carrier and transportation services  
24 (LVMC 6.04.030), taxicab companies, as well as those entities and persons exempted pursuant to Section 22  
25 of Assembly Bill 176 of the 2015 State of Nevada Legislative Session.

26 6.97.040 As it pertains to LVMC 6.97.010 and LVMC 6.97.020, the term “driver” means a natural

1 person who:

2 (A) operates a motor vehicle that is owned, leased or otherwise authorized for use by the  
3 person; and

4 (B) enters into an agreement with a motor transportation network company to receive  
5 connections to potential passengers and related services from a motor transportation network company in  
6 exchange for the payment of a fee to the motor transportation network company.

7 SECTION 3: If any section, subsection, subdivision, paragraph, sentence, clause or phrase  
8 in this ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by  
9 any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the  
10 remaining portions of this ordinance or any part thereof. The City Council of the City of Las Vegas hereby  
11 declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase  
12 thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs,  
13 sentences, clauses or phrases be declared unconstitutional, invalid or ineffective.

14 SECTION 4: Whenever in this ordinance any act is prohibited or is made or declared to  
15 be unlawful or an offense or a misdemeanor, or whenever in this ordinance the doing of any act is required  
16 or the failure to do any act is made or declared to be unlawful or an offense or a misdemeanor, the doing of  
17 such prohibited act or the failure to do any such required act shall constitute a misdemeanor and upon  
18 conviction thereof, shall be punished by a fine of not more than \$1,000.00 or by imprisonment for a term of  
19 not more than six months, or by any combination of such fine and imprisonment. Any day of any violation  
20 of this ordinance shall constitute a separate offense.

21 SECTION 5: All ordinances or parts of ordinances or sections, subsections, phrases,  
22 sentences, clauses or paragraphs contained in the Municipal Code of the City of Las Vegas, Nevada, 1983  
23 Edition, in conflict herewith are hereby repealed.

24 PASSED, ADOPTED and APPROVED this \_\_\_\_ day of \_\_\_\_\_, 2016.

25 APPROVED:  
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LUANN D. HOLMES, MMC  
City Clerk

James B. Lewis,  
Deputy City Attorney

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1 The above and foregoing ordinance was first proposed and read by title to the City Council on the \_\_\_\_ day  
2 of \_\_\_\_\_, 2016, and referred to a committee for recommendation, the committee being  
3 composed of the following members \_\_\_\_\_;  
4 thereafter the said committee reported favorably on said ordinance on the \_\_\_\_ day of  
5 \_\_\_\_\_, 2016, which was a \_\_\_\_\_ meeting of said Council; that at said  
6 \_\_\_\_\_ meeting, the proposed ordinance was read by title to the City Council as first  
7 introduced and adopted by the following vote:

8 VOTING "AYE": \_\_\_\_\_

9 VOTING "NAY": \_\_\_\_\_

10 ABSENT: \_\_\_\_\_

11 APPROVED:

12  
13 By \_\_\_\_\_  
CAROLYN G. GOODMAN, Mayor

14 ATTEST:

15 \_\_\_\_\_  
16 LUANN D. HOLMES, MMC  
City Clerk

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